

AT A SPECIAL MEETING OF THE BOARD OF SUPERVISORS OF MONTGOMERY COUNTY, VIRGINIA HELD ON THE 1ST DAY OF NOVEMBER, 2010 AT 5:00 P.M. IN THE COUNTY ADMINISTRATION CONFERENCE ROOM, 755 ROANOKE STREET, CHRISTIANSBURG, VIRGINIA:

PRESENT:	Annette S. Perkins	-Chair
	James D. Politis	-Vice Chair
	Doug Marrs	-Supervisors
	William H. Brown	
	Mary W. Biggs	(arrived at 5:04 p.m.)
	Gary D. Creed	(arrived at 5:05 p.m.)
	F. Craig Meadows	-County Administrator
	L. Carol Edmonds	-Assistant County Administrator
	Martin M. McMahon	-County Attorney
	Angie Hill	-Director of Financial and Management Services
	Marc Magruder	-Budget Manager
	Brian Hamilton	-Economic Development Director
	Brenda Rigney	-Economic Development Project Manager
	Charlie Jewell	-Marketing and Research Specialist
	Judy W. Kiser	-Assistant to the County Administrator
ABSENT:	John A. Muffo	-Supervisor

CALL TO ORDER

The Chair called the meeting to order.

INTO WORK SESSION

On a motion by William H. Brown, seconded by Doug Marrs and carried unanimously,

BE IT RESOLVED, The Board of Supervisors hereby enters into Work Session for the purpose of discussing the following:

1. FY 2011-2012 Budget Development
2. Old Blacksburg Middle School Site Update
3. Legislative Priorities for 2011

The vote on the foregoing motion was as follows:

<u>AYE</u>	<u>NAY</u>	<u>Absent During Vote</u>	<u>Absent During Meeting</u>
William H. Brown	None	Mary W. Biggs	John A. Muffo
Doug Marrs		Gary D. Creed	
James D. Politis			
Annette S. Perkins			

FY 2011-2012 Budget Development

Assistant County Administrator Carol Edmonds presented highlights of the FY 10 Budget as follows:

- No addenda to the budget was accepted.
 - No operations and maintenance cost increases except for mandated utility and benefit increases.
- No employee salary increases
- Reduced Fire & Rescue funding from 1¢ to 1/2¢
- 33% reduction to Centralized Maintenance
- 33% reduction to the vehicle replacement budget (excluding the Sheriff)
- 33% across the board reduction to training activities
- 25% across the board reductions to:
 - meals and lodging
 - registration fees
 - mileage reimbursements
- Reductions in part-time and overtime funds
- Reduced positions and consolidated workloads
 - Eliminated the Erosion & Sediment Control position and absorbed duties within the department
 - Eliminated the Office on Youth budget and director position
 - Consolidated positions in IT
 - Shifted duties between IT & HR
- Reduced consolidated site hours during holidays to generate savings
- Hiring freeze instituted
- Planned 2¢ tax rate increase for debt service was absorbed through internal cuts and debt structural changes
- State budget reductions totaled \$2 Million
 - \$1 million to County (Flexible Cuts & Additional Reductions)
 - \$1 million to Schools (\$3.2M stimulus funds offset \$4.2M in state cuts)

County Administrator Craig Meadows presented highlights of the FY 11 budget as follows:

- No addenda to budget accepted for a second year
 - Operations and maintenance cost increases limited to only mandated utility and benefit increases
- No employee salary increases for a second year

- FY 10 reductions were not restored
- 13 FTE were frozen
 - Since then an additional 8.5 FTE have been frozen for a total of 21.5 FTE
- 10 FTE were eliminated due to state reductions
- Hiring freeze remained in effect
- Retirement incentives plan put in place to generate savings
- School operating budget balanced with \$641,519 in one-time only money

Where We Are Now

- Retirement Incentives Program
 - 11 employees elected to participate
 - Of those 11 positions, 1 FTE will be held vacant and 1 FTE will be eliminated
 - 9 FTE are planned to be filled but at a lower salary
- FTE Summary to Date
 - 21.5 frozen positions
 - 10 eliminated positions (due to state reductions)
 - 31.5 Total FTE – 8% reduction to County Staffing
- No new programs added
- No new positions added
- No increases to operations and maintenance

Where We Are Headed – FY 12 Budget Issues

- Schools
 - In FY 12, the LCI (hold harmless) funding is cut in half
 - Impact = (\$185,186)
 - In FY 12, the VRS rate increases for schools
 - Impact = (\$602,696)
 - \$641,519 in one-time only money in the school base budget
- Additional state budget reductions may occur:
 - Governor has asked state agencies for 2%, 4%, and 6% budget reduction plans
- County health, VRS, and other benefit increases expected
 - Health insurance and VRS rate information due December/January
 - To date, we are projecting a single digit increase for health insurance (9% = \$283,366)
 - Line of duty cost increase
- Opening of the new courthouse (6 months of expenses expected in FY 12)
 - Additional deputies for increased courthouse security
 - Additional custodial staff for increased square footage
 - Additional maintenance staff for added systems (HVAC, etc.)
- Estimated increase in utility costs (gas and electricity) county-wide, including the new courthouse
- Increased costs of Western Virginia Regional Jail may occur
- Employee compensation
- Increased hours of health clinic operation based on employee utilization
- Additional dollars for the Regional 911 Communications Authority
 - \$25,000 budgeted and this is expected to increase

Where We Are Headed – Board Priorities

- To address some of the Board's priorities in FY 12, additional funds are necessary:
 - Identify county/school building needs for the next 10 years
 - Develop new ball fields
 - Add 2 sections of Loop Trail, if grant funds are not available
 - Increase on-line transactions
 - Financial transactions
 - Parks and recreation
 - Building permits
 - Planning permits
 - Citizens survey

Discussions included the Blacksburg High School issue, and bond funds that were used to address the transition for a temporary Blacksburg High School, Blacksburg Middle School and transition of administrative offices from the Old Christiansburg Middle School. Supervisor Gary Creed asked that the schools be requested to provide a complete and detailed report on all funds that were spent on the new Eastern Montgomery Elementary School, and a complete and detailed report on all funds spent on the new Price's Fork Elementary School. Supervisor Biggs suggested that a chart may also be useful in explaining the funding details.

The County Administrator will obtain the requested information and forward it to the BoS.

Supervisor Doug Marrs asked for a timetable for remodeling the old courthouse for a public safety building and how it will fit in with everything. The County Administrator explained that this will be coming back to the Board of Supervisors for direction in January or February 2011. In response to Supervisor Marrs' question about whether there are funds for the public safety building project, the County Administrator explained that the County has adequate funds for the public safety building project, but does not currently have funds for renovation of the jail.

Supervisor Bill Brown said he would like to see 2% or 3% built into the FY 12 budget for employee salary increases. Supervisor Biggs reminded everyone that with the hiring freeze and elimination of positions, employees are doing more work. In addition to that, health insurance rates are increasing. She believes there needs to be a look at the whole picture.

Old Blacksburg Middle School Site Update

One of the Board's priorities for the upcoming year is to sell the old Blacksburg Middle School property for development. Economic Development Director Brian Hamilton provided an update of their efforts to prepare the property to be sold. The following information was provided to the BoS:

- The appraisal information
 - Sell site as zoned R-4 with building removed value is \$2,789,360
 - Rezone site to mixed use, remove building and sell values is \$8,100,000
- Demolishing building and rezoning property for "Mixed Use" development provides greatest

return to County Taxpayers/Schools

- Economic Development Department has completed the following:

- Phase 1 Environmental Site Assessment
- Alta survey of property
- Asbestos report update
- Design and bid for asbestos removal:

Bidder 1	Bidder 2	Bidder 3	Bidder 4	Bidder 5	Bidder 6	Bidder 7	Bidder 8
Waco	SES	SEMCO	E Luke Green	PCS	A&A Envir	Atlantic Envir	LVI Envi Services
\$135,617	\$265,891	\$231,000	\$307,467	\$263,255	\$178,324	\$271,607	\$549,450

- Board of Supervisors Required Actions

- November 1, 2010
 - Authorization to proceed with asbestos removal
 - Authorization to proceed with plans for building demolition
- November 10, 2010
 - Appropriate funding for asbestos removal

- OBMS Future Actions

- November 2010 bid building demolition
- December 2010 appropriate funds for demolition
- January 2011 complete building demolition
- February 2011 property rezoning
 - Submit rezoning application to Town of Blacksburg (90-120 day process)
- May 2011 property rezoned
- June 2011 issue RFP for developers

The Economic Development Director asked the Board for consensus to proceed with asbestos removal and consensus to proceed with plans for building demolition. By consensus of the Board, the Economic Development Director was authorized to proceed with asbestos removal and proceed with plans for building demolition. An appropriation resolution to fund the asbestos removal will be included on the Board's November 10, 2010 agenda.

Supervisor Gary Creed suggested that the rezoning request be filed before February 2011.

Legislative Priorities for 2011

The Board discussed their 2011 legislative priorities as proposed in the resolution listed under Old Business on the agenda.

There was consensus by the Board to remove the paragraph requesting the General Assembly to authorize localities to exempt from taxation up to \$50,000 in real property value for residential homeowners. There was also consensus that the resolution be reduced in size to a 1-page document.

Supervisor Brown said he was prepared to make a motion when the Board came out of work session, for approval of the resolution, with the suggested changes. Supervisor Creed said he was prepared to make a second to Supervisor Brown's motion.

OUT OF WORK SESSION

On a motion by Gary D. Creed, seconded by William H. Brown and carried unanimously,

BE IT RESOLVED, The Board of Supervisors ends their Work Session to return to Regular Session.

The vote on the foregoing motion was as follows:

<u>AYE</u>	<u>NAY</u>	<u>ABSENT</u>
Gary D. Creed	None	John A. Muffo
William H. Brown		
James D. Politis		
Doug Marrs		
Mary W. Biggs		
Annette S. Perkins		

OLD BUSINESS

Legislative Priorities for 2011

On a motion by William H. Brown, seconded by Gary D. Creed and carried unanimously,

R-FY-11-44 LEGISLATIVE PRIORITIES FOR 2011

On a motion by William H. Brown, seconded by Gary D. Creed and carried unanimously,

BE IT RESOLVED, The Board of Supervisors of the County of Montgomery, Virginia hereby adopts their 2011 legislative priorities which include:

- ***State Budget Cuts*** Montgomery County requests that the General Assembly restore the funding reductions to public education and public safety.
- ***Unfunded Mandates*** Montgomery County continues to oppose unfunded mandates from the state or federal government. As state revenue is reduced, state mandates should also be reduced in the same proportion.
- ***Income Taxes or Other Revenue Sources to Support Local Services*** Montgomery County supports legislation to distribute a percentage of individual income tax revenues to localities,

the authority to levy a local income tax, or be provided with other sources to generate revenue locally.

- ***Equal Taxing Authority*** Montgomery County supports legislation to eliminate the distinction in the taxing authority of Virginia's cities and counties.
- ***Schools*** Montgomery County supports full state funding of Standards of Quality (SOQ), teacher pay raises based on actual positions, not just SOQ, and state funding for the "cost for competing Add-on" for all Virginia School Districts.
- ***Comprehensive Services Act (CSA)*** Montgomery County supports full state funding for 100% of the administrative costs of , and increased state matching share for all CSA costs.
- ***Water and Sewer Availability Fees*** Montgomery County supports legislation that would grant counties the authority to enact water and sewer availability fees, and mandatory water and sewer connection powers.
- ***Voting Machines*** Montgomery County supports full state funding for 100% of the cost of providing optical scan voting machines.
- ***Processing and Marketing of Industrial Hemp*** Montgomery County supports efforts by all levels of government to allow cultivation, processing and marketing of industrial hemp. Industrial hemp production could provide a source of income and livelihood to farmers and workers who have lost their jobs during these dire economic times.
- ***Requirement to Receive Unemployment Compensation Following the Initial 26 Week Benefit Period*** Montgomery County supports legislation to require part-time work at charitable, religious, cultural, or other non-profit institutions in order to receive unemployment compensation following the initial 26-week benefit period.
- ***State Aid to Library System*** Montgomery County requests that there be no new cuts in state aid to the library system.
- ***Request to Declare Spice and Synthetic Cannabinoids to Be Illegal*** Montgomery County requests that the General Assembly adopt legislation declaring "spice" and synthetic cannabinoids to be illegal and to be a controlled substance under the criminal statute.

The vote on the foregoing resolution was as follows:

<u>AYE</u>	<u>NAY</u>	<u>ABSENT</u>
William H. Brown	None	John A. Muffo
Gary D. Creed		
Doug Marrs		
Mary W. Biggs		
James D. Politis		
Annette S. Perkins		

ADJOURNMENT

The Board adjourned to Tuesday, November 9, 2010 at 6:00 p.m.

The meeting adjourned at 7:30 p.m.